

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 7225**

**BILL NUMBER: SB 496**

**DATE PREPARED:** Jan 12, 1999

**BILL AMENDED:**

**SUBJECT:** Minimum age for kindergarten.

**FISCAL ANALYST:** Mark Goodpaster

**PHONE NUMBER:** 232-9852

**FUNDS AFFECTED:** ☒ **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

| <b>STATE IMPACT</b>            | <b>FY 1999</b> | <b>FY 2000</b> | <b>FY 2001</b>      |
|--------------------------------|----------------|----------------|---------------------|
| <b>State Revenues</b>          |                |                |                     |
| <b>State Expenditures</b>      |                |                | <b>14,690,614</b>   |
| <b>Net Increase (Decrease)</b> |                |                | <b>(14,690,614)</b> |

**Summary of Legislation:** This bill has the following provisions: It provides that a child must be at least five years of age on the following dates to officially enroll in a kindergarten program offered by a school corporation: (1) July 1 of the 2000-2001 school year. (2) August 1 of the 2001-2002 school year. (3) September 1 of the 2002-2003 school year or any subsequent school year. (Current law requires that a child must be at least five years of age on June 1 to officially enroll in a kindergarten program.) It allows the governing body of a school corporation to adopt a procedure for a parent to appeal to the school superintendent for kindergarten enrollment of a child who is not five years of age on the statutory date. (Current law requires a school corporation to adopt the procedure.)

**Effective Date:** July 1, 1999.

**Explanation of State Expenditures:** Passage of this bill will increase the average daily membership of school corporations over a four year period as compared to the ADM under current law. Consequently, this increase in ADM will also increase expenditures from the school funding formula. During the 1997-98 school year, 72,941 students were enrolled in public school kindergarten. Assuming an even distribution of births over 12 months, each month will add 6,078 children to the statewide average daily membership (ADM).

Under current statute, kindergarten students are counted as a half ADM, consequently, the additional costs in the first year will be based on additional ADM count of 3,039.

Based on the changes in ADM as a result of the dates of admission changes, the additional costs that are generated by the school funding formula are shown in the following table.

*Note:* The estimated costs are based on current state law. The future costs that are associated with the additional ADM could be changed during the 1999 and 2001 General Assemblies when the school funding formula is reauthorized. This analysis also assumes that school corporations that currently participate in Primetime will hire additional instructional staff and expand facilities in order to continue qualifying for Primetime funding.

| <u>Year</u> | <u>State Tuition Support</u> | <u>At Risk Monies</u> | <u>Growing Enrollment</u> | <u>Primetime</u> | <u>Total State Support</u> |
|-------------|------------------------------|-----------------------|---------------------------|------------------|----------------------------|
| 2001        | \$9,266,299                  | \$157,527             | \$968,409                 | \$4,298,379      | \$14,690,614               |
| 2002        | \$19,504,649                 | \$317,362             | \$987,819                 | \$12,895,136     | \$33,704,966               |
| 2003        | \$22,049,949                 | \$325,633             | \$43,205                  | \$20,632,218     | \$43,051,005               |

#### **Explanation of State Revenues:**

**Explanation of Local Expenditures:** The following table shows the additional number of students who would be added to the school corporations over the three year period when the admission date is changed. As the table indicates, more than half of the school corporations (58%) would experience increases of between 15 and 50 students. Another 34% of the school corporations could experience increases of between 50 and 890 -- the largest increase in the number of kindergarten children that any school corporation would experience.

| <u>additional number of students over 3 year period</u> | <u># of school corporations</u> | <u>percentage distribution</u> |
|---|---------------------------------|--------------------------------|
| less than 5 students                                    | 4                               | 1%                             |
| between 5 and 10 students                               | 5                               | 2%                             |
| between 10 and 15 students                              | 14                              | 5%                             |
| between 15 and 25 students                              | 61                              | 21%                            |
| between 25 and 50 students                              | 109                             | 37%                            |
| between 50 and 100 students                             | 59                              | 20%                            |
| between 100 and 200 students                            | 29                              | 10%                            |
| more than 200 students                                  | <u>13</u>                       | 4%                             |
| total number of school corporations                     | <u>294</u>                      |                                |

Depending on the existing capacity of each school corporation, some school corporations may need to build new classrooms, add new teachers, acquire additional buses or incur more route miles to transport kindergarten children to school. Other school corporations may be able to accommodate the additional children with current staff and facilities.

School corporations with classroom shortages may need to rent classrooms from local businesses or churches

or use temporary classrooms until new classrooms are built. School corporations which add new classrooms will also incur additional costs for utilities and custodial care.

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Education.

**Local Agencies Affected:** School Corporations.

**Information Sources:** Department of Education Data Bases.